TAB

ECONOMIC INTELLIGENCE COMMITTEE

Control No. 461380 EIC-M-59 5 March 1957

Minutes of Meeting Held in Room 1121, Temporary M Building 26th Street and Constitution Avenue, N.W.

26 February 1957

PRESENT

Dr. Otto E. Guthe, CIA, Chairman 25X1A9a CIA, Vice Chairman Colonel Joseph C. Brewer, Department of the Air Force Mr. Bennett V. S. Davis, Department of the Navy 25X1A9a CIA 25X1A9a CIA Mr. Kingsley W. Hamilton, Department of the Air Force Commander Robert E. Hawthorne, Department of the Navy Commander Ross R. Hirshfeld, Joint Staff 25X1A9a CIA Major James L. Mylar, Department of the Army Colonel Howard P. Persons, Jr., Department of the Army 25X1A9a CIA Miss Marion W. Worthing, Department of State 25X1A9a CIA 25X1A9a CIA, Executive Secretary

APPROVAL OF MINUTES

1. The minutes of the EIC meeting of 7 February 1957 were approved.

^{*}Present during part of meeting only.

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PROJECT ON "ECONOMIC CAPABILITIES OF THE SOVIET BLOC TO SUPPORT A GENERAL WAR UNDER CERTAIN ASSUMPTIONS" (EIC-P-6)

2. Discussion

The Chairman of the EIC distributed copies of a letter which he had received from the Chairman of the Working Group on P-6, and he explained some of the difficulties which had confronted the Working Group.

3. Action

The EIC noted the letter from the Chairman of the Working Group and approved the recommendations of the WG that:

- a. Project EIC-P-6 be cancelled without presentation of a final report; and
- b. the EIC ad hoc Working Group on Soviet Bloc Economic Capabilities be disbanded.

CONSIDERATION OF SUBCOMMITTEE ON ELECTRONICS AND TELECOMMUNICATIONS

4. Discussion

The Chairman of the EIC Subcommittee on Electronics and Telecommunications commented briefly on the program of this SC and its accomplishments to date. He then called on the Executive Secretary of the SC to explain the particular problems which the SC had met in connection with the use of all-source materials (reflected in the minutes of the SC's meeting of 11 January 1957, which had been made available to IAC members of the EIC). As a result of this meeting the SC had requested that the EIC "encourage and support" greater participation in all-source analysis—and establishment of better physical facilities for such analysis—by the staff engaged in the study of Soviet Bloc electronics and telecommunications problems in the Signal Corps Intelligence Agency. In the discussion which followed, the Army representative expressed his appreciation of the SC's bringing this matter to his attention, and for the background information made available to him and his staff by

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various members of the SC. He considered the problem essentially an internal one for the Department of the Army; and he assured the EIC that he was taking appropriate steps to improve the situation.

5. Action

The Chairman thanked Colonel Persons for his efforts in this matter and assured him of the EIC's readiness to encourage and support ACSI and SCIA in this matter—in any way that they might consider useful.

FUTURE OF "COMMUNIST CHINA'S IMPORTS AND EXPORTS, TRADE AND TRANSPORT INVOLVED" (EIC-R-1 SERIES)

6. Discussion

The Chairman asked the members for their suggestions or comments as to the future of exercises in the EIC-R-1 Series. The members generally strongly emphasized the value of previous papers in this series and their desire to see a similar exercise continued. The Navy representative emphasized that this is the only coordinated study on this subject rounded up in a year's period. He stressed that it is a valuable reference material to working level people and an important assistance to certain major Naval Commands -- particularly in the Pacific. Specific statements of appreciation for the study have come from such headquarters as the Commander Naval Forces, Far East; Commander-in-Chief, Pacific Fleet; Commander Naval Forces, Philippines; and the Taiwan Defense Command. The representative of Joint Staff also emphasized that this paper was the only report available to them for reference purposes. He indicated that it is helpful to Defense in connection with a number of policy issues relating to Communist China which have cropped up again recently. For example, the Assistant Secretary of Defense for International Security Affairs (ISA) is closely following developments in this general area. There was general agreement, however, that every effort should be made to "streamline" any new paper in this series -- so as to reduce the work effort required, eliminate unnecessary details, and improve the utility of the finished product to various consumers. Several members suggested that the EIC Working Group assigned to this topic should be asked to explore ways and means of accomplishing this "streamlining."

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7. Action

There was agreement (1) that there should—in principle—be an agreed package report in this series covering the calendar year 1956; and (2) that the Working Group should explore means of cutting down the work—load and improving the utility of such a report, and should present its recommendations to the EIC at an early date.

CHANGE IN THE REPRESENTATION FROM ONI

8. Commander Hawthorne informed the members that this would probably be his last EIC meeting, since he was shortly leaving for the Pacific to take command of a destroyer. He anticipated that his replacement would be Commander Charles B. Brouillette, who is already on board. Dr. Guthe expressed the appreciation of all members of the EIC for Commander Hawthorne's participating in EIC community activities over the past year.

Executive Secretary 25X1A9a

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